
State: Illinois **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0021 Pharmacy
Product Name: Pharmacy Professional Liability
Project Name/Number: CW PSPL Cpdg Rev/IL-PSPL-11-13-RR

Filing at a Glance

Company: Pharmacists Mutual Insurance Company
Product Name: Pharmacy Professional Liability
State: Illinois
TOI: 11.0 Medical Malpractice - Claims Made/Occurrence
Sub-TOI: 11.0021 Pharmacy
Filing Type: Rate/Rule
Date Submitted: 08/21/2013
SERFF Tr Num: PHAR-129028228
SERFF Status: Closed-Filed
State Tr Num: PHAR-129028228
State Status:
Co Tr Num: IL-PSPL-11-13-RR

Effective Date: 10/01/2013
Requested (New):
Effective Date: 11/01/2013
Requested (Renewal):
Author(s): Heidi Allen, Janine MacVey, Stephanie Marlow
Reviewer(s): Gayle Neuman (primary), Julie Rachford
Disposition Date: 01/10/2014
Disposition Status: Filed
Effective Date (New): 10/01/2013
Effective Date (Renewal): 11/01/2013

State Filing Description:
routed 8/27/13

State: Illinois **Filing Company:** Pharmacists Mutual Insurance Company
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General Information

Project Name: CW PSPL Cpdg Rev Status of Filing in Domicile: Authorized
Project Number: IL-PSPL-11-13-RR Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 01/10/2014
State Status Changed: Deemer Date:
Created By: Janine MacVey Submitted By: Janine MacVey
Corresponding Filing Tracking Number: PHAR-129028227

Filing Description:

Pharmacists Mutual Insurance Company is filing revised rates and rules for our Pharmacy Professional Liability Program. Changes include the following:

1. New Rates for Professional Liability Coverage
2. New Pharmacy Professional Liability Limit Factors
3. Expanded Deductible Options
4. Elimination of Deductible Aggregate Options
5. Introduction of the Multi-Location Discount
6. Minimum Premium to be based on Policy Minimum Premium rather than Location
7. New and Revised policy options for the PM 500 and 307 to provide three coverage level options; Excluding Sterile Compounding, Excluding Intrathecal and Epidural Compounds, and Including Sterile Compounding

We would like for these revisions to become effective for all new business written on or after October 1, 2013 and for all renewals written on or after November 1, 2013.

Company and Contact

Filing Contact Information

Janine MacVey, Rate Analyst janine.macvey@phmic.com
PO Box 370 515-395-7207 [Phone]
Algona, IA 50511 515-295-9306 [FAX]

Filing Company Information

Pharmacists Mutual Insurance Company	CoCode: 13714	State of Domicile: Iowa
808 Highway 18 West	Group Code: 775	Company Type: Mutual
P.O. Box 370	Group Name: PMC	State ID Number:
Algona, IA 50511	FEIN Number: 42-0223390	
(800) 247-5930 ext. [Phone]		

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

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State Specific

Refer to our checklists prior to submitting filing (http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): Yes
Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: Yes

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. :

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp .: Yes

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: Yes

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": Yes

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: Not applicable

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	01/10/2014	01/10/2014

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Gayle Neuman	08/27/2013	08/27/2013

Response Letters

Responded By	Created On	Date Submitted
Janine MacVey	08/27/2013	08/27/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective Dates	Note To Reviewer	Janine MacVey	01/08/2014	01/08/2014
effective date	Note To Filer	Gayle Neuman	01/08/2014	01/08/2014
Actuarial Review	Reviewer Note	Julie Rachford	01/03/2014	

State:	Illinois	Filing Company:	Pharmacists Mutual Insurance Company
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Disposition

Disposition Date: 01/10/2014
Effective Date (New): 10/01/2013
Effective Date (Renewal): 11/01/2013
Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Pharmacists Mutual Insurance Company	12.600%	12.100%	\$5,316	4	\$43,933	20.800%	7.900%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document (revised)	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Request to Maintain Data as Trade Secret Information		Yes
Supporting Document	Manual		Yes
Supporting Document	Filing Memorandum - RULES		Yes
Supporting Document	Manual Comparison 09 11 to 10 13		Yes
Supporting Document	Actuarial Memorandum & Supporting Exhibits		No
Rate	Countrywide Pharmacy Professional Liability Manual Rates & Rules, edition 10 13		Yes
Rate	IL Pharmacy Professional Liability Manual Supplemental, edition 10 13		Yes

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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/27/2013
Submitted Date	08/27/2013
Respond By Date	09/03/2013

Dear Janine MacVey,

Introduction:

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

The RF3 should include the items 1 - 7 listed on the general information tab.

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

Conclusion:

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,

Gayle Neuman

SERFF Tracking #:	PHAR-129028228	State Tracking #:	PHAR-129028228	Company Tracking #:	IL-PSPL-11-13-RR
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Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/27/2013
Submitted Date	08/27/2013

Dear Gayle Neuman,

Introduction:

Response 1

Comments:

I have revised Form RF-3, as requested.

Our statistical reporting agent is AAIS.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Form RF3 - (Summary Sheet)
Comments:	
Attachment(s):	RF-3.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Form RF3 - (Summary Sheet)</i>
Comments:	
Attachment(s):	<i>RF-3.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Janine MacVey

State: *Illinois* **Filing Company:** *Pharmacists Mutual Insurance Company*
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Note To Reviewer

Created By:

Janine MacVey on 01/08/2014 01:12 PM

Last Edited By:

Gayle Neuman

Submitted On:

01/10/2014 09:25 AM

Subject:

Effective Dates

Comments:

We implemented these changes on 10/1/13 for new business and 11/1/13 for renewal business, thus, we would like to keep these dates as the effective dates.

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Note To Filer

Created By:

Gayle Neuman on 01/08/2014 09:21 AM

Last Edited By:

Gayle Neuman

Submitted On:

01/10/2014 09:25 AM

Subject:

effective date

Comments:

The Department of Insurance has now completed its review of this filing. You previously requested the filing be effective October 1, 2013 (renewals on November 1, 2013). Was the filing put in effect on that date or do you wish to have a different effective date? Your prompt response is appreciated.

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Reviewer Note

Created By:

Julie Rachford on 01/03/2014 11:05 AM

Last Edited By:

Gayle Neuman

Submitted On:

01/10/2014 09:25 AM

Subject:

Actuarial Review

Comments:

Actuarial review complete.

State:	Illinois	Filing Company:	Pharmacists Mutual Insurance Company
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Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	-21.500%
Effective Date of Last Rate Revision:	12/01/2011
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Pharmacists Mutual Insurance Company	12.600%	12.100%	\$5,316	4	\$43,933	20.800%	7.900%

State:	Illinois	Filing Company:	Pharmacists Mutual Insurance Company
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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Countrywide Pharmacy Professional Liability Manual Rates & Rules, edition 10 13	All	Replacement	PHAR-127317329	CW PSPL Rates Rules Manual 10 13.pdf
2		IL Pharmacy Professional Liability Manual Supplemental, edition 10 13	All	Replacement	PHAR-127317329	IL PSPL Rules Supplemental 10 13.pdf

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program COUNTRYWIDE

PROGRAM RULES

RULE 1 -- PROGRAM DESCRIPTION

1.1 Policy Coverage

- 1.1.1 Pharmacy Professional Liability coverage for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal injury arising out of the rendering or failure to render pharmacy services.
- 1.1.2 Limited Pharmacy License Defense Reimbursement for legal fees arising out of a disciplinary proceeding or official investigation arising out of the rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident.

1.2 Policy Form(s)

The forms used to provide coverage are described below.

1.2.1 Pharmacy Professional Liability Coverage (Occurrence Forms)

Form PM 1155, Pharmacy Professional Liability Policy Excluding Sterile Compounding, provides coverage on an occurrence basis. This occurrence form provides coverage for basic pharmacy services which do not include compounded preparations that are sterile or should be sterile pursuant to USP<797>.

Form PM 1156, Pharmacy Professional Liability Policy Excluding Intrathecal or Epidural Compounds, provides coverage on an occurrence basis. This occurrence form provides coverage for basic plus pharmacy services, which include compounding preparations that are sterile or should be sterile pursuant to USP <797>. However, basic plus pharmacy services does not include the dispensing of drugs intended for administration via intrathecal or epidural route.

Form PM 1157, Pharmacy Professional Liability Policy Including Sterile Compounding, provides coverage on an occurrence basis. This occurrence form provides coverage for broad pharmacy services which include sterile compounding.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

1.2.2 Pharmacy Professional Liability Coverage (Claims-Made Forms)

Form PM 504, Pharmacy Professional Liability Policy Excluding Sterile Compounding, provides coverage on a claims-made basis. This claims-made form provides coverage for basic pharmacy services which do not include compounded preparations that are sterile or should be sterile pursuant to USP<797>.

Form PM 505, Pharmacy Professional Liability Policy Excluding Intrathecal or Epidural Compounds, provides coverage on a claims-made basis. This claims-made form provides coverage for basic plus pharmacy services, which include compounding preparations that are sterile or should be sterile pursuant to USP <797>. However, basic plus pharmacy services does not include the dispensing of drugs intended for administration via intrathecal or epidural route.

Form PM 506, Pharmacy Professional Liability Policy Including Sterile Compounding provides coverage on a claims-made basis. This claims-made form provides coverage for broad pharmacy services which include sterile compounding.

1.3 Policy Limits

The Each Occurrence Limit, subject to the Aggregate Limit, is the most that will be paid for all injury and damages covered for one occurrence.

The Aggregate Limit is the most that will be paid during an annual policy period for all covered losses.

1.3.1 Pharmacy Professional Liability Limits

The rating information shown in this manual reflects the following limits of insurance.

\$1,000,000 each occurrence / \$2,000,000 aggregate
\$1,000,000 each occurrence / \$3,000,000 aggregate
\$2,000,000 each occurrence / \$4,000,000 aggregate
\$3,000,000 each occurrence / \$5,000,000 aggregate
\$4,000,000 each occurrence / \$5,000,000 aggregate
\$5,000,000 each occurrence / \$5,000,000 aggregate

Show the Each Occurrence and Aggregate Limits on the declarations page.

1.3.2 Limited Pharmacy License Defense Reimbursement Limits

The following limits of insurance are shown on the declarations page:

\$10,000 each occurrence / \$10,000 aggregate

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

1.4 Higher Limits

Higher Pharmacy Professional Liability limits may be available, subject to reinsurance approval. Pharmacists Mutual Insurance Company will maintain all underwriting files, premium, loss and expense statistics, financial and other records pertaining to policies providing limits higher than those shown above.

RULE 2 – POLICY WRITING INSTRUCTIONS

2.1 Policy Term

2.1.1 Annual

Annual rating information is shown in the rating information section of this manual.

2.1.2 Less Than One Year

A policy can be written for a term of less than one year. Prorate the annual rating information to determine the premium.

2.2 Cancellation

Policies canceled by either the insured or the Company must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis.

2.3 Policy Changes

Changes can be made to the policy after inception.

2.3.1 Additional Premium Changes

Use the rules and rating information in effect on the policy effective date when calculating the additional premium. If changes are made after the anniversary date of the policy, use the rules and rating information in effect on the anniversary date.

Calculate additional premium on a pro rata basis.

If the additional premium that occurs as a result of a change is \$5.00 or less, the additional premium will be waived.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

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2.3.2 Return Premium Changes

Calculate all return premium using the rating information that was in effect when coverage was issued.

Calculate return premium on a pro rata basis when a limit is reduced or an exposure is eliminated. Retain the minimum location charge, if applicable.

If the return premium that occurs as a result of a change is \$5.00 or less, the return premium will be waived. However, return premiums will be refunded at the insured's request.

RULE 3 – LIABILITY DEDUCTIBLE

3.1 Deductible

Deductible options are available on a per claim basis for bodily injury, property damage and personal injury. Show the deductible limit on the Policy Declarations.

Factors for the following per claim deductible amounts are shown in the rating information section of this manual.

Deductible Options	
\$ 1,000	\$ 400,000
\$ 5,000	\$ 450,000
\$ 10,000	\$ 500,000
\$ 15,000	\$ 550,000
\$ 20,000	\$ 600,000
\$ 25,000	\$ 650,000
\$ 50,000	\$ 700,000
\$ 75,000	\$ 750,000
\$ 100,000	\$ 800,000
\$ 150,000	\$ 850,000
\$ 200,000	\$ 900,000
\$ 250,000	\$ 950,000
\$ 300,000	\$ 1,000,000
\$ 350,000	

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

RULE 4 – ADDITIONAL INSURED

4.1 Additional Insured

Pharmacy Professional Liability Coverage can extend the insured's liability protection to other persons or entities, by listing the other persons or entities in the Policy Interest section of the declarations as an Additional Insured. Coverage is provided the additional insured for their liability arising out of the named insured's acts or omissions in the rendering or failure to render pharmacy services.

An Additional Insured can be added to the policy for an additional premium charge and is determined separately for each insured location. The factor for the Additional Interest charge is shown in the rating information section of this manual (Rate 4.1).

RULE 5 – PREMIUM DEVELOPMENT

5.1 Calculation of Premium

Step 1 – To determine the Pharmacy Professional Liability premium for each location, determine the percentage of filled prescriptions that falls into each of the following categories; the sum of these 4 groups must equal 100%.

- non-compounded,
- non-sterile simple compounded
- non-sterile complex compounded
- sterile compounded.

Step 2 – Non-compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of non-compounded prescriptions. Gross receipts include the total amount collected for prescriptions, drugs, and pharmacy services.
- b) Multiply the result of Step 2.a) by the appropriate rate for non-compounded prescriptions, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).
- c) When risk management equipment is utilized, multiply the result of Step 2.b) by the appropriate credit for risk management equipment. A 5% credit shall be provided for each piece of equipment. A 10% credit shall be applied if the risk management equipment is a PassRx. The total credit for risk management equipment may not exceed 15%.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

Step 3 – Non-sterile simple compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of non-sterile simple compounded prescriptions,
- b) Multiply the result of Step 3.a) by the appropriate rate for non-sterile simple compounded prescriptions, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).

Step 4 – Compounding Modification Factor:

- a) Add the percent of compounded prescriptions from Non-Sterile Complex and Sterile Compounding. From this sum subtract 20%. If the result is less than 0%, use 0%.
- b) The Compounding Modification Factor equals 1 minus the lesser of Step 4.a) or 30%.

Step 5 – Non-Sterile Complex Compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of Non-Sterile Complex Compounded prescriptions.
- b) Multiply the result of Step 5.a) by the rate for Non-Sterile Complex prescriptions, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).
- c) Multiply the result of Step 5.b) by the Compounding Modification Factor as determined in Step 4.b).

Step 6 – Sterile Compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of Sterile Compounded prescriptions.
- b) If the insured is compounding intrathecal or epidural injectables, multiply the result of Step 6.a) by the appropriate rate for Sterile Compounding with intrathecal or epidural injectables rate, shown in the state Pharmacy Professional Liability Manual Exception Pages (Rate 1.2); otherwise, multiply the result of Step 6.a. by the appropriate rate for Sterile Compounding without intrathecal or epidural injectables rate, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).
- c) Multiply the result of Step 6.b) by the Compounding Modification Factor as determined in Step 4.b).

Step 7 – Add the results of Steps 2, 3, 5 and 6.

Step 8 – If the insured is either URAC or PCAB accredited, apply a 15% discount to the result of Step 7. If the insured is both URAC and PCAB accredited, apply a 25% discount to the result of Step 7. If the insured is neither URAC nor PCAB accredited no discount is applied.

Step 9 - If the location has an Additional Insured, multiply the Additional Insured Factor (Rate 4.1) by the number of Additional Insureds at that location to obtain the Total Additional Insured Factor. Multiply the Total Additional Insured Factor by the result of Step 8.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

Step 10 - Add the result of Step 8 and Step 9 to determine the base location premium.

Step 11 - If any Claims-Made form, PM 504, PM 505 or PM 506, is used, multiply the result of Step 10 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made location premium. If any occurrence form, PM 1155, PM 1156 or PM 1157, is used, proceed to Step 12.

Step 12 - Repeat Steps 1 through Step 11 for each location to determine the base policy premium.

Step 13 – Multiply the result of step 12 by the Pharmacy Professional Liability Limit Factor (Rate 1.3), the Deductible Factor (Rate 3.1), the Individual Risk Premium Modification, and the Multi-Location Discount to determine the total policy premium, subject to the policy minimum premium.

RULE 6 – COVERAGE OPTIONS

6.1 Health Care Services Liability

Coverage can be added for bodily injury, property damage, and personal injury arising from the rendering or failure to render health care services.

Eligible professionals include a registered nurse, licensed practical nurse and similar health care professionals whose professional duties are ancillary to the duties of a professional licensed to prescribe medications.

The charge, per professional, is shown in the rating information section of this manual. Multiply the total charge for all professionals by: the Pharmacy Professional Liability Limit Factor (Rate 1.3), the Deductible Factor (Rate 3.1), the Individual Risk Premium Modification, and the Multi-Location Discount, to determine the Health Care Services Liability Premium. If any Claims-Made form, PM 504, PM 505 or PM 506, is used, multiply by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made Health Care Services Liability premium.

Attach endorsement PM 1110BA if coverage is provided under PM 1155 or PM 504.

Attach endorsement PM 1110BP If coverage is provided under PM 1156 or PM 505.

Attach endorsement PM 1110BR if coverage is provided under PM 1157 or PM 506.

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6.2 Immunization Liability Coverage

Coverage may be provided for Immunization Liability when a non-employee immunization provider administers immunizations on the insured's behalf.

The additional premium charge is computed by pro-rating the annual Health Care Services Liability per person charge, from Rule 6.1, multiplied by the appropriate Pharmacy Professional Liability Limit Factor (Rate 1.3) and the Multi-Location Discount, for the period that Immunization Liability Coverage is provided, subject to a minimum \$100.00 coverage premium. The Multi-Location Discount does not apply if the minimum coverage premium is applicable.

Rule 7, Individual Risk Premium Modification, does not apply. Immunization Liability Coverage minimum premium is in addition to any policy minimum premiums.

Attach endorsement PM 1130BA if coverage is provided under PM 1155 or PM 504.

Attach endorsement PM 1130BP if coverage is provided under PM 1156 or PM 505.

Attach endorsement PM 1130BR if coverage is provided under PM 1157 or PM 506.

6.3 Pharmacy Professional Liability Extension

This option is only available when a Pharmacy Professional Liability policy, Occurrence Form PM 1155, PM 1156 or PM 1157, is being cancelled at the insured's request due to the sale or closure of the business.

Pharmacy Professional Liability coverage can be extended for bodily injury or property damage which occurs after the policy cancellation date, provided that the incident causing the bodily injury or property damage, such as dispensing a prescription, occurred while the policy was in force.

The extension term is provided for a maximum of 6-months, beginning on the policy cancellation date and ending after 182 days, unless other dates are shown on the policy endorsement.

To determine the additional premium for this Extension, multiply the policy's annual Pharmacy Professional Liability premium (Rule 5) by 2.0%, subject to a minimum \$100.00 coverage premium. The additional premium charged is fully earned and cannot be cancelled once accepted.

Rule 7, Individual Risk Premium Modification, and Rule 9, Multi-Location Discount, are not applicable. Pharmacy Professional Liability Extension minimum premium is in addition to any policy minimum premiums.

Attach endorsement PM 1118P

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

RULE 7 – INDIVIDUAL RISK PREMIUM MODIFICATION

7.1 Individual Risk Premium Modification

The following modifications can be applied to recognize special characteristics of the risk that are not fully reflected in the rates.

The total credit or debit developed using the following table cannot exceed 25%.

RISK VARIATIONS	Range of Modifications		
	CREDIT		DEBIT
(1) Cooperation with insurer recommendations and/or industry standards with respect to risk management procedures	-10%	to	+10%
(2) Employees: selection, training, supervision, experience	- 5%	to	+ 5%
(3) Professional liability claims experience	-10%	to	+10%
(4) Professional accreditation/sanction	- 15%	to	+15%
(5) Professional services provided	-10%	to	+10%
(6) Quality control procedures	-10%	to	+10%

RULE 8 – FORMS PM 504, PM 505, PM 506 -- PHARMACY PROFESSIONAL LIABILITY – (Claims-Made Form)

Pharmacy Professional Liability coverage can be written on a claims-made basis.

Claims-made coverage applies only to claims that occur on or after the Retroactive Date shown in the policy declarations and before the end of the policy period. The claim for damages must be made within the policy period or the Extended Reporting Period.

8.1 Retroactive Date

The Retroactive Date selected should coincide with the original inception date of the claims-made professional liability coverage and should be retained on all subsequent renewals of the coverage. Show the applicable Retroactive Date on the policy declarations.

8.2 Claims-Made Discount Factor

To reflect the maturity of the risk, determine the number of years that professional liability coverage will have been in effect on a claims-made basis as of the end of the policy period, and select the corresponding Claims-Made Discount factor shown in the rating information section of this manual.

8.3 Extended Reporting Period

Extended reporting periods allow for the triggering of coverage for injuries that occur after the retroactive date and before the end of the policy period, but the claim is not made until after the policy's expiration.

8.3.1 Basic Extended Reporting Period

The Basic Extended Reporting Period extends the time for reporting a claim after the policy terminates and begins with the end of the policy period and lasts for 60 days with respect to claims that have not previously been reported to us.

The Basic Extended Reporting Period is provided automatically for no additional premium. No additional endorsement is required.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

8.3.2 Supplemental Extended Reporting Period

The Supplemental Extended Reporting Period extends the time for reporting a claim after the policy terminates. The Supplemental Extended Reporting Period begins when the Basic Extended Reporting Period ends and continues in effect for either 12 months, 24 months, or for an unlimited time period.

Coverage applies only to claims for injury which occurred after the Retroactive Date, if any, and before the end of the policy period, but that are first reported during the Supplemental Extended Reporting Period.

A separate Aggregate Limit, equal to the Aggregate Limit shown on the declarations, applies to claims that are eligible for coverage under the Supplemental Extended Reporting Period.

The additional premium for the Supplemental Extended Reported Period is shown in the rating information section of this manual and is based on the preceding annual policy premium.

Attach endorsement PM 501.

RULE 9 – MULTI-LOCATION DISCOUNT

Credit will be applied when a policy includes coverage for more than one location. This credit will be determined by the number of locations written on the policy. The Multi Location Discount, as provided in the following table, will be applied to all coverages. The Multi-Location Discount does not apply to any coverage rated at the coverage minimum premium. The Multi-Location Discount is to be applied prior to the application of the policy minimum premium.

Number of Locations	Discount
1	0.0%
2	7.5%
3	10.0%
4 to 8	12.5%
9 or more	15.0%

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

COUNTRYWIDE RATES

1.3 Pharmacy Professional Liability Limit Factors

Occurrence/Aggregate Limit	Factor
\$1,000,000/\$2,000,000	0.99
\$1,000,000/\$3,000,000	1.00
\$2,000,000/\$4,000,000	1.17
\$3,000,000/\$5,000,000	1.32
\$4,000,000/\$5,000,000	1.45
\$5,000,000/\$5,000,000	1.56

3.1 Deductible Factors

Deductible	\$1MM/\$2MM	\$1MM/\$3MM	\$2MM/\$4MM	\$3MM/\$5MM	\$4MM/\$5MM	\$5MM/\$5MM
1,000	0.990	0.990	0.994	0.995	0.995	0.995
5,000	0.962	0.962	0.977	0.981	0.982	0.983
10,000	0.937	0.937	0.962	0.969	0.970	0.971
15,000	0.916	0.916	0.949	0.958	0.960	0.962
20,000	0.898	0.898	0.937	0.949	0.951	0.953
25,000	0.881	0.881	0.927	0.940	0.943	0.946
50,000	0.804	0.804	0.880	0.902	0.907	0.911
75,000	0.747	0.747	0.844	0.874	0.880	0.885
100,000	0.704	0.704	0.818	0.853	0.860	0.865
150,000	0.641	0.641	0.779	0.821	0.830	0.836
200,000	0.590	0.590	0.748	0.796	0.806	0.814
250,000	0.546	0.546	0.721	0.774	0.785	0.793
300,000	0.503	0.503	0.695	0.752	0.764	0.774
350,000	0.462	0.462	0.670	0.732	0.745	0.755
400,000	0.425	0.425	0.647	0.713	0.728	0.738
450,000	0.388	0.388	0.624	0.695	0.710	0.721
500,000	0.351	0.351	0.602	0.677	0.692	0.705
550,000	-----	-----	0.579	0.658	0.675	0.688
600,000	-----	-----	0.557	0.640	0.658	0.671
650,000	-----	-----	0.536	0.623	0.641	0.656
700,000	-----	-----	0.514	0.605	0.625	0.640
750,000	-----	-----	0.493	0.588	0.608	0.624
800,000	-----	-----	0.471	0.571	0.592	0.608
850,000	-----	-----	0.450	0.553	0.575	0.592
900,000	-----	-----	0.429	0.536	0.559	0.576
950,000	-----	-----	0.407	0.519	0.542	0.561
1,000,000	-----	-----	0.386	0.501	0.526	0.545

4.1 Additional Insured Factor (per each Additional Insured) 0.10

5.1 Minimum Policy Premium (per each \$1MM Occurrence Limit) \$ 750.00

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability Program

COUNTRYWIDE

6.1 Health Care Services Liability

Occurrence / Aggregate Limit	1st Professional	Each Additional
\$ 1,000,000 / \$3,000,000	\$ 1,300	\$ 275

8.2 Claims-Made Discount Factor

Year	Factor
1 Year	.84
2 Years	.92
3 Years	.97
4 Years	.99
5 Years +	1.00

8.3 Extended Reporting Period Options

12 Months	100% of preceding annual policy premium
24 Months	150% of preceding annual policy premium
Unlimited	200% of preceding annual policy premium

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
ILLINOIS

PROGRAM RULES

Rule 2.4 has been added:

2.4 - Premium Installment Plans

Payment Option	Due Date	Service charge
Payment in Full	Policy eff date	No service charge
Tri-Annual	Policy eff date, 60 & 120 days	No service charge
Semi-Annual	Policy eff date & 180 days	\$5.00 on final installment
Quarterly	Policy eff date, 90, 180 & 270 days	\$5.00 on last 3 installments
EFT - monthly	Down payment of 1 month premium	\$1.00 per monthly withdrawal

Rates 1.2 PHARMACY PROFESSIONAL LIABILITY RATES

TYPE OF COMPOUNDING	RATE
Non-Compounded	0.96
Non-Sterile Simple Compounded	1.00
Non-Sterile Complex Compounded	2.00
Sterile No Intrathecal or Epidural	2.96
Sterile With Intrathecal or Epidural	5.92

Rates 8.2 Claims-Made Discount Factor has been withdrawn from the Countrywide Rates and replaced by the following:

8.2 Claims-Made Discount Factor

Year	Factor
1 Year	.74
2 Years	.90
3 Years	.95
4 Years	.98
5 Years +	1.00

State:	Illinois	Filing Company:	Pharmacists Mutual Insurance Company
TOI/Sub-TOI:	11.0 Medical Malpractice - Claims Made/Occurrence/11.0021 Pharmacy		
Product Name:	Pharmacy Professional Liability		
Project Name/Number:	CW PSPL Cpdg Rev/IL-PSPL-11-13-RR		

Supporting Document Schedules

Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	IL PSPL Filing Memorandum RATES 10 13.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Form RF3 - (Summary Sheet)
Comments:	
Attachment(s):	RF-3.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Certification
Comments:	
Attachment(s):	Actuarial Certification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Request to Maintain Data as Trade Secret Information
Bypass Reason:	Not applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Manual
Comments:	A complete copy of this manual is provided under the Rate/Rule Schedule tab of this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Memorandum - RULES
Comments:	
Attachment(s):	IL PSPL Filing Memorandum RULES 10 13.pdf
Item Status:	
Status Date:	

State:	Illinois	Filing Company:	Pharmacists Mutual Insurance Company
TOI/Sub-TOI:	11.0 Medical Malpractice - Claims Made/Occurrence/11.0021 Pharmacy		
Product Name:	Pharmacy Professional Liability		
Project Name/Number:	CW PSPL Cpdg Rev/IL-PSPL-11-13-RR		

Satisfied - Item:	Manual Comparison 09 11 to 10 13
Comments:	
Attachment(s):	Comparison CW PSPL Manual 09 11 to 10 13.pdf IL PSPL Rules Supplemental Comparison 09 11 to 10 13.pdf
Item Status:	
Status Date:	

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Professional Liability ILLINOIS Rate/Rule Filing Memorandum

Pharmacists Mutual Insurance Company (PhMIC) is filing revisions to its Pharmacy Professional Liability (PSPL) Program. This program is specifically designed to provide Pharmacy Professional Liability coverage to a business entity that would not otherwise qualify for Pharmacists Mutual's Commercial Liability or Businessowners programs. This is a limited line for PhMIC; there are currently only 275 in-force policies countrywide. We currently have only four policyholders in your state.

We have revised the manual rules and rates to correspond to recent revisions to pharmacy professional liability rules and rating which is being filed for our Businessowners Program (BOP) in filing PHAR-129169403.

Over 90% of our commercial pharmacy professional liability coverage is written under our Businessowners Program, thus, we have used the BOP data as the basis for rating this coverage in all three programs under which we provide this coverage: BOP, Commercial Liability and PSPL.

We will no longer determine pharmacy professional liability premium using the Pharmacy Professional Liability loss costs and Professional Liability loss cost multiplier. Through analysis of our internal company data, we have determined indicated rates for our Pharmacy Professional Liability Coverage and developed an algorithm which allows for more granular rating of this coverage. The effect of this rating revision countrywide is an overall change of 10.9%. (Exhibit PSPL-1)

We are also introducing Pharmacy Professional Liability Limit Factors which will allow variance in rating based on the selected occurrence/aggregate limit chosen. The selected factors have been developed based on the current AAIS Businessowners Program loss costs Rule 9.24.4, using a base limit of \$1,000,000. The effect of this change is negligible countrywide. (Exhibit PPLF)

Expanded deductible options are provided, including options for each of the new Pharmacy Professional Liability Limits, up to a deductible option of \$1,000,000. The deductible relativities used in the development of the deductible factors were developed based on analysis of our company loss data. This revision will have a negligible effect on our book. (Exhibit DED)

With this revision we are implementing a Multi-Location Discount. The new Multi-Location Discount provides a discount, up to 15%, as determined by the number of locations on a policy. The overall effect of the application of the Multi-Location Discount is a decrease of 9.2% countrywide. (Exhibit MLD)

We are also revising our minimum premium. Currently we apply a minimum location premium of \$750 to each location. With this revision the minimum premium will be applied per policy, as opposed to per location. The effect of the minimum premium revision is negligible.

The combined overall effect of the aforementioned revisions in your state is an increase of 12.1%.

We would like for these revisions to become effective for all new business written on or after October 1, 2013 and for all renewal business written on or after November 1, 2013.

Section 754.EXHIBIT A Summary Sheet (Form RF-3)

FORM (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision
effective 10/1/13 for New Business & 11/1/13 for Renewal Business.

	(1) Coverage	(2) Annual Premium Volume (Illinois) *	(3) Percent Change (+or-) **
1.	Automobile Liability Private Passenger		
	Commercial		
2.	Automobile Physical Damag Private Passenger		
	Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other Pharmacy Professional Liability	\$ 43,933	12.1%
	Line of Insurance		

Does filing only apply to certain territory (territories) or certain
Classes? If so,
specify: Not applicable

Brief description of filing. (If filing follows rates of an advisory
Organization, specify
organization):

New Rates for Professional Liability Coverage, New Pharmacy Professional Liability Limit Factors,

Expanded Deductible Options, Elimination of Deductible Aggregate Options, Intorduction of the Multi-Location Discount, Minimum Premium to be based on Policy Minimum

Premium rather than Location, New and Revised policy options for the PM 500 and 307 to provide three coverage level options

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new
rates.

Pharmacists Mutual Insurance Company

Name of Company

Thomas E Claude, Vice President Underwriting/Product Development

Official – Title

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Derrick Shannon, a duly authorized officer of Pharmacists Mutual Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Derrick Shannon, a duly authorized actuary of Pharmacists Mutual Insurance Company am authorized to certify on behalf of Pharmacists Mutual Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

[Signature] VP & Chief Actuary 8/21/13
Signature and Title of Authorized Insurance Company Officer Date

[Signature] FCAS, MAAA 8/21/13
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN 42-0223390 Filing Number PHAR-127317329

Insurer's Address 808 Hwy 18 W

City Algona State Iowa Zip Code 50511

Contact Person's:

-Name and E-mail Janine M MacVey janine.macvey@phmic.com

-Direct Telephone and Fax Number (515) 395-7207

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Services Professional Liability COUNTRYWIDE / ILLINOIS Rule Filing Memorandum

Pharmacists Mutual Insurance Company (PhMIC) is filing a revision to our Pharmacy Services Professional Liability Program in your state. With this filing we are revising our Countrywide Pharmacy Services Professional Liability Manual.

Countrywide Pharmacy Services Professional Liability Manual Revisions

Changes noted are as compared to PhMIC's Countrywide Pharmacy Services Professional Liability Manual , edition 09 11; refer to the attached CW PSPL Manual Comparison 09 11 to 10 13.pdf.

1. **Rule 1.2 Policy Forms** -- We have added reference to the new policy form options.
2. **Rule 3.1 Deductible** -- We have expanded the deductible options.
3. **Rule 3.2 Deductible Aggregate** -- We have eliminated the Deductible Aggregate option.
4. **Rule 5.1 Calculation of Premium** --
 - a. Premium will be calculated using Pharmacy Services Professional Liability Rates rather than a loss cost and loss cost multiplier.
 - b. We have added a credit for PCAB Accreditation (Rule 5.1 Step 8).
 - c. Rating for Health Care Services Liability has been moved to Rule 6.1).
5. **Rule 6.1 Health Care Services Liability** -- We have added premium development for this coverage option.
6. **Rule 6.2 Immunization Liability Coverage** -- We have added premium development for this coverage option.
7. **Rule 6.3 Pharmacy Professional Liability Extension** -- References to the new occurrence policy forms have been added.
8. **Rule 8. Pharmacy Professional Liability (Claims-Made Form)** -- References to the new claims-made policy forms have been added.
9. **Rule 9 Multi-Location Discount** -- has been added. A discount is applied based on the number of locations per policy.
10. **Rates 1.2 Pharmacy Services Professional Liability Loss Cost** -- has been deleted. We will now calculate the Pharmacy Professional Liability premium using a developed rate.
11. **Rates 1.3 Pharmacy Professional Liability Limit Factors** -- We have introduced new Pharmacy Professional Liability Limit Factors.
12. **Rates 3.1 Deductible Factors** -- We have revised and expanded our selection of Deductible Discount Factors.
13. **Rates 4.1 Additional Insured Factor** -- Clarification has been added to show that this factor is per each Additional Insured.
14. **Rates 5.1 Minimum Policy Premium** -- Minimum premium has been changed from a location minimum to a policy minimum premium.
15. **Rates 5.1 Pharmacy Risk Modification Factors** -- has been deleted. The risk management equipment credit is now referenced in Rule 5.1, Step 2, c. The compounding factors referenced in Table A are now included in the Pharmacy Professional Liability Rates located in the state Pharmacy Professional Liability Manual Supplement.

16. **Rates 6.1 Health Care Services Liability** – has been revised. The Pharmacy Professional Liability Limit Factor will be applied for the selected Occurrence/Aggregate Limit to determine the premium for this coverage.
17. Throughout the manual we have changed the reference “Pharmacy Services Professional Liability” to “Pharmacy Professional Liability” to match the policy form language.

ILLINOIS Pharmacy Services Professional Liability Manual – Supplemental Revision

Changes noted are as compared to PhMIC’s IL Pharmacy Services Professional Liability Manual - Supplemental, edition 09 11; refer to the attached IA PSPL Manual Comparison 09 11 to 10 13.pdf.

1. **Loss Cost Multiplier** -- We have deleted reference to a Loss Cost Multiplier as we will now calculate the Pharmacy Services Professional Liability premium using the Pharmacy Services Professional Liability Rates.
2. **Rates 1.2 Pharmacy Services Professional Liability Rates** -- We have added rates for the Pharmacy Services Professional Liability coverage.

We would like for these revisions to become effective for all new business written on or after October 1, 2013 and all renewal business on or after November 1, 2013.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy ~~Services~~ Professional Liability Program COUNTRYWIDE

PROGRAM RULES

RULE 1 -- PROGRAM DESCRIPTION

1.1 Policy Coverage

- 1.1.1 Pharmacy ~~Services~~ Professional Liability coverage for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal injury arising out of the rendering or failure to render ~~P~~pharmacy ~~S~~services.
- 1.1.2 Limited Pharmacy License Defense Reimbursement for legal fees arising out of a disciplinary proceeding or official investigation arising out of the rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident;.

1.2 Policy Form(s)

The forms used to provide coverage are described below.

1.2.1 ~~PM-307~~, Pharmacy ~~Services~~ Professional Liability Coverage (Occurrence Forms)

Form PM ~~1155~~, [Pharmacy Professional Liability Policy Excluding Sterile Compounding](#), provides coverage on an occurrence basis. This occurrence form provides coverage for basic pharmacy services which do not include compounded preparations that are sterile or should be sterile pursuant to USP<797>.

Form PM ~~1156~~, [Pharmacy Professional Liability Policy Excluding Intrathecal or Epidural Compounds](#), provides coverage on an occurrence basis. This occurrence form provides coverage for basic plus pharmacy services, which include compounding preparations that are sterile or should be sterile pursuant to USP <797>. However, basic plus pharmacy services does not include the dispensing of drugs intended for administration via intrathecal or epidural route.

Form PM ~~307~~~~1157~~, [Pharmacy Professional Liability Policy Including Sterile Compounding](#), provides coverage on an occurrence basis. This occurrence form provides coverage for broad pharmacy services which include sterile compounding.

1.2.2 ~~PM-500~~, Pharmacy ~~Services~~ Professional Liability Coverage (Claims-Made Forms)

Form PM ~~504~~, [Pharmacy Professional Liability Policy Excluding Sterile Compounding](#), provides coverage on a claims-made basis. This claims-made form provides coverage for basic pharmacy services which do not include compounded preparations that are sterile or should be sterile pursuant to USP<797>.

Form PM ~~505~~, [Pharmacy Professional Liability Policy Excluding Intrathecal or Epidural Compounds](#), provides coverage on a claims-made basis. This claims-made form provides coverage for basic plus pharmacy services, which include compounding preparations that are sterile or should be sterile pursuant to USP <797>. However, basic plus pharmacy

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy ~~Services~~ Professional Liability Program COUNTRYWIDE

[services does not include the dispensing of drugs intended for administration via intrathecal or epidural route.](#)

[Form PM ~~500~~506, Pharmacy Professional Liability Policy Including Sterile Compounding](#) provides coverage on a claims-made basis. [This claims-made form provides coverage for broad pharmacy services which include sterile compounding.](#)

~~Refer to Rule 8.~~

1.3 Policy Limits

The Each Occurrence Limit, subject to the Aggregate Limit, is the most that will be paid for all injury and damages covered for one occurrence.

The Aggregate Limit is the most that will be paid during an annual policy period for all covered losses.

1.3.1 Pharmacy ~~Services~~ Professional Liability Limits

The rating information shown in this manual reflects the following limits of insurance.

\$1,000,000 each occurrence / \$2,000,000 aggregate
\$1,000,000 each occurrence / \$3,000,000 aggregate
\$2,000,000 each occurrence / \$4,000,000 aggregate
[\\$3,000,000 each occurrence / \\$5,000,000 aggregate](#)
[\\$4,000,000 each occurrence / \\$5,000,000 aggregate](#)
[\\$5,000,000 each occurrence / \\$5,000,000 aggregate](#)

Show the Each Occurrence and Aggregate Limits on the declarations page.

1.3.2 Limited Pharmacy License Defense Reimbursement Limits

The following limits of insurance are shown on the declarations page:

\$10,000 each occurrence / \$10,000 aggregate

1.4 Higher Limits

Higher Pharmacy ~~Services~~ Professional Liability limits may be available, subject to reinsurance approval. Pharmacists Mutual Insurance Company will maintain all underwriting files, premium, loss and expense statistics, financial and other records pertaining to policies providing limits higher than those shown above.

RULE 2 – POLICY WRITING INSTRUCTIONS

2.1 Policy Term

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy ~~Services~~ Professional Liability Program COUNTRYWIDE

2.1.1 Annual

Annual rating information is shown in the rating information section of this manual.

2.1.2 Less Than One Year

A policy can be written for a term of less than one year. Prorate the annual rating information to determine the premium.

2.2 Cancellation

Policies canceled by either the insured or the Company must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis.

2.3 Policy Changes

Changes can be made to the policy after inception.

2.3.1 Additional Premium Changes

Use the rules and rating information in effect on the policy effective date when calculating the additional premium. If changes are made after the anniversary date of the policy, use the rules and rating information in effect on the anniversary date.

Calculate additional premium on a pro rata basis.

If the additional premium that occurs as a result of a change is \$5.00 or less, the additional premium will be waived.

2.3.2 Return Premium Changes

Calculate all return premium using the rating information that was in effect when coverage was issued.

Calculate return premium on a pro rata basis when a limit is reduced or an exposure is eliminated. Retain the minimum location charge, if applicable.

If the return premium that occurs as a result of a change is \$5.00 or less, the return premium will be waived. However, return premiums will be refunded at the insured's request.

RULE 3 – LIABILITY DEDUCTIBLE

3.1 Deductible

Deductible options are available on a per claim basis for bodily injury, property damage and personal injury. Show the deductible limit on the Policy Declarations.

Factors for the following per claim deductible amounts are shown in the rating information section of this manual.

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Pharmacy ~~Services~~ Professional Liability Program

COUNTRYWIDE

Deductible Options	
\$ 1,000	<u>\$ 400,000</u>
\$ 5,000	<u>\$ 450,000</u>
\$ 10,000	<u>\$ 500,000</u>
\$ 15,000	<u>\$ 550,000</u>
\$ 20,000	<u>\$ 600,000</u>
\$ 25,000	<u>\$ 650,000</u>
\$ 50,000	<u>\$ 700,000</u>
\$ 75,000	<u>\$ 750,000</u>
\$ 100,000	<u>\$ 800,000</u>
<u>\$ 150,000</u>	<u>\$ 850,000</u>
<u>\$ 200,000</u>	<u>\$ 900,000</u>
<u>\$ 250,000</u>	<u>\$ 950,000</u>
<u>\$ 300,000</u>	<u>\$ 1,000,000</u>
<u>\$ 350,000</u>	

~~3.2 — Deductible Aggregate~~

~~3.2.1 — Deductible Aggregate (Occurrence form)~~

~~Deductibles of \$10,000 or higher are subject to an Aggregate Deductible limit, which limits the maximum out-of-pocket expense the insured has for claims resulting from injuries that occur during the policy period, regardless of when the loss payment or claims expenses are made. The Aggregate Deductible Limit will equal four times the Deductible Limit accepted.~~

~~Attach endorsement PM 437 and show the Aggregate Deductible Limit on the form.~~

~~3.2.2 — Deductible Aggregate (Claims-made form)~~

~~Deductibles of \$10,000 or higher are subject to an Aggregate Deductible limit, which limits the maximum out-of-pocket expense the insured has for claims reported during the policy period, regardless of when the loss payment or claims expenses are made. The Aggregate Deductible Limit will equal four times the Deductible Limit accepted.~~

~~Attach endorsement PM 502 and show the Aggregate Deductible Limit on the form.~~

RULE 4 – ADDITIONAL INSURED

4.1 Additional Insured

Pharmacy ~~Services~~ Professional Liability Coverage can extend the insured's liability protection to other persons or entities, by listing the other persons or entities in the Policy Interest section of the declarations as an Additional Insured. Coverage is provided the additional insured for their liability arising out of the named insured's acts or omissions in the rendering or failure to render pharmacy services.

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy ~~Services~~ Professional Liability Program COUNTRYWIDE

An Additional Insured can be added to the policy for an additional premium charge and is determined separately for each insured location. The factor for the Additional Interest charge is shown in the rating information section of this manual ([Rate 4.1](#)).

RULE 5 – PREMIUM DEVELOPMENT

5.1 Calculation of Premium

~~Step 1 – Determine the applicable Pharmacy Services Professional Liability loss cost based on the liability limit provided (Rate 1.2).~~

~~Step 2 – If a deductible is chosen, subtract the applicable deductible factor (Rate 3.1) from 1.000. If there is no liability deductible, use 1.000.~~

~~Step 3 – Multiply the loss cost from Step 1 by the results of Step 2.~~

~~Step 4 – Multiply the results of Step 3 by the loss cost multiplier.~~

~~Step 5 – For Each Location:~~

~~A – multiply the results of Step 4 by the annual pharmacy receipts, in thousands. Pharmacy receipts include the total amount collected for prescriptions, drugs, and pharmacy services;~~

~~B – determine the percentage of filled prescriptions that falls into each of the following categories: (the sum of these 3 groups must equal 100%);~~

- ~~• non-compounded prescriptions;~~
- ~~• non-sterile compounded prescriptions (involving only ingredients in manufacturer-produced dosage forms); and~~
- ~~• all other compounded prescriptions.~~

~~C – Non-compounded prescription premium:~~

- ~~a) Multiply the result of Step 5. A. by the percentage of non-compounded prescriptions (B. 1.);~~
- ~~b) Multiply the result of Step C. 1. by the appropriate factor (Rate 5.1 – Table A).~~
- ~~c) When risk management equipment is utilized, multiply the result of Step C. 2. by the appropriate factor (Rate 5.1 – Table B).~~

~~D – Non-sterile compounded prescription premium:~~

- ~~1) Multiply the result of Step 5. A. by the percentage of non-sterile compounded prescriptions (B. 2.);~~
- ~~2) Multiply the result of Step D. 1. by the appropriate factor (Rate 5.1 – Table A).~~

~~E – All other compounded prescription premium:~~

- ~~1) Multiply the result of Step 5. A. by the percentage of all other compounded prescriptions (B. 3.);~~
- ~~2) Multiply the result of Step E. 1. by the appropriate factor (Rate 5.1 – Table A).~~

~~Step 6 – Add results of Step 5. C., D., and E. to determine the Pharmacy Services Professional Liability premium.~~

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Step 1 – To determine the Pharmacy Professional Liability premium for each location, determine the percentage of filled prescriptions that falls into each of the following categories; the sum of these 4 groups must equal 100%.

- non-compounded,
- non-sterile simple compounded
- non-sterile complex compounded
- sterile compounded.

Step 2 – Non-compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of non-compounded prescriptions. Gross receipts include the total amount collected for prescriptions, drugs, and pharmacy services.
- b) Multiply the result of Step 2.a) by the appropriate rate for non-compounded prescriptions, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).
- c) When risk management equipment is utilized, multiply the result of Step 2.b) by the appropriate credit for risk management equipment. A 5% credit shall be provided for each piece of equipment. A 10% credit shall be applied if the risk management equipment is a PassRx. The total credit for risk management equipment may not exceed 15%.

Step 3 – Non-sterile simple compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of non-sterile simple compounded prescriptions,
- b) Multiply the result of Step 3.a) by the appropriate rate for non-sterile simple compounded prescriptions, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).

Step 4 – Compounding Modification Factor:

- a) Add the percent of compounded prescriptions from Non-Sterile Complex and Sterile Compounding. From this sum subtract 20%. If the result is less than 0%, use 0%.
- b) The Compounding Modification Factor equals 1 minus the lesser of Step 4.a) or 30%.

Step 5 – Non-Sterile Complex Compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of Non-Sterile Complex Compounded prescriptions.
- b) Multiply the result of Step 5.a) by the rate for Non-Sterile Complex prescriptions, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).
- c) Multiply the result of Step 5.b) by the Compounding Modification Factor as determined in Step 4.b).

Step 6 – Sterile Compounded prescription premium:

- a) Multiply the pharmacy's annual gross receipts, in thousands, by the percentage of Sterile Compounded prescriptions.

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- b) If the insured is compounding intrathecal or epidural injectables, multiply the result of Step 6.a) by the appropriate rate for Sterile Compounding with intrathecal or epidural injectables rate, shown in the state Pharmacy Professional Liability Manual Exception Pages (Rate 1.2); otherwise, multiply the result of Step 6a. by the appropriate rate for Sterile Compounding without intrathecal or epidural injectables rate, shown in the state Pharmacy Professional Liability Manual Supplement (Rate 1.2).
- c) Multiply the result of Step 6.b) by the Compounding Modification Factor as determined in Step 4.b).

Step 7 – Add the results of Steps 2, 3, 5 and 6.

Step 8 – If the insured is either URAC or PCAB accredited, apply a 15% discount to the result of Step 7. If the insured is both URAC and PCAB accredited, apply a 25% discount to the result of Step 7. If the insured is neither URAC nor PCAB accredited no discount is applied.

Step ~~7~~9 - If the location has an ~~a~~Additional ~~i~~Insured, multiply the Additional Insured Factor (Rate 4.1) by the number of ~~a~~Additional ~~i~~Insureds at that location to obtain the Total Additional Insured Factor. ~~If no Additional Insureds, use 1.000.~~ Multiply the Total Additional Insured Factor by the results of Step ~~6~~8.

Step 10 -- Add the result of Step 8 and Step 9 to determine the base location premium.

Step ~~8~~11 - If any Claims-Made form, PM 504, PM 505 or PM 506, is used, multiply the result of Step ~~8~~10 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made ~~base~~-location premium. If any occurrence form, PM 1155, PM 1156 or PM 1157, ~~PM 307~~ is used, ~~continue with~~proceed to Step ~~10~~12 ~~premium~~.

Step ~~9~~12 - ~~Add the results of Repeat Steps 61 and through Step 711 for each location to determine the base~~ policy ~~location~~ premium.

Step 13 – Multiply the result of step 12 by the Pharmacy Professional Liability Limit Factor (Rate 1.3), the Deductible Factor (Rate 3.1), the Individual Risk Premium Modification, and the Multi-Location Discount to determine the total policy premium, subject to the policy minimum premium.

~~Step 10 – Determine the applicable individual risk premium modification (IRPM) as outlined in Rule 7. Convert the total credit or debit developed to an IRPM factor.~~

~~Step 11 – Multiply the IRPM factor the result of Step 9. The resulting modified location premium is subject to the minimum location charge.(Rate 5.1)~~

~~Step 12 – Repeat Steps 5-11 for each location.~~

~~Step 13 – If Health Care Services Liability coverage is included, multiply the appropriate charge (Rate 6.1) by the number of eligible professional employees, as shown in Rule 6.1.~~

~~Step 14 – If form PM 500 is used, multiply the result of Step 13 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made Health Care Services Liability premium. If form~~

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~~PM 307 is used, continue with the Step 15 premium.~~

~~Step 15 – Multiply the IRPM factor determined in Step 10 by the result of Step 14 to determine the Health Care Services Liability premium.~~

~~Step 16 – Add the modified location premiums (from Step 11)~~

~~for all locations to the modified Health Care Services Liability premium (from Step 14) to~~

~~determine the total policy premium.~~

RULE 6 – COVERAGE OPTIONS

6.1 Health Care Services Liability

Coverage can be added for bodily injury, property damage, and personal injury arising from the rendering or failure to render health care services.

Eligible professionals include a registered nurse, licensed practical nurse and similar health care professionals whose professional duties are ancillary to the duties of a professional licensed to prescribe medications.

The charge, per professional, is shown in the rating information section of this manual. Multiply the total charge for all professionals by: the Pharmacy Professional Liability Limit Factor (Rate 1.3), the Deductible Factor (Rate 3.1), the Individual Risk Premium Modification, and the Multi-Location Discount, to determine the Health Care Services Liability Premium. If any Claims-Made form, PM 504, PM 505 or PM 506, is used, multiply by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made Health Care Services Liability premium.

Attach ~~E~~ndorsement PM 1110BA if coverage is provided under PM 1155 or PM 504.

Attach endorsement PM 1110BP If coverage is provided under PM 1156 or PM 505.

Attach endorsement PM 1110BR if coverage is provided under PM 1157 or PM 506.

6.2 Immunization Liability Coverage

Coverage may be provided for Immunization Liability when a non-employee immunization provider administers immunizations on the insured's behalf.

The additional premium charge is computed by pro-rating the annual Health Care Services Liability per person charge, from Rule 6.1, times the appropriate Pharmacy Professional Liability Limit Factor (Rate 1.3) and the Multi-Location Discount, for the period that Immunization Liability Coverage is provided, subject to a minimum \$100.00 coverage premium. The Multi-Location Discount does not apply if the minimum coverage premium is applicable.

Rule 7, Individual Risk Premium Modification, does not apply. Immunization Liability Coverage minimum premium is in addition to any policy minimum premiums.

Attach endorsement PM 1130~~P~~BA if coverage is provided under PM 1155 or PM 504.

Attach endorsement PM 1130BP if coverage is provided under PM 1156 or PM 505.

Attach endorsement PM 1130BR if coverage is provided under PM 1157 or PM 506.

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6.3 Pharmacy ~~Services~~ Professional Liability Extension

This option is only available when ~~the~~a Pharmacy ~~Services~~ Professional Liability policy, Occurrence Form ~~PM 307~~PM 1155, PM 1156 or PM 1157, is being cancelled at the insured's request due to the sale or closure of the business.

Pharmacy Professional Liability coverage can be extended for bodily injury or property damage which occurs after the policy cancellation date, provided that the incident causing the bodily injury or property damage, such as dispensing a prescription, occurred while the policy was in force.

The extension term is provided for a maximum of 6-months, beginning on the policy cancellation date and ending after 182 days, unless other dates are shown on the policy endorsement.

To determine the additional premium for this Extension, multiply the policy's annual Pharmacy ~~Services~~ Professional Liability premium (Rule 5) by 2.0%, subject to a minimum \$100.00 coverage premium. The additional premium charged is fully earned and cannot be cancelled once accepted.

Rule 7, Individual Risk Premium Modification, and Rule 9, Multi-Location Discount, ~~does not apply~~are not applicable. Pharmacy Professional Liability Extension minimum premium is in addition to any policy minimum premiums.

Attach endorsement PM 1118P

RULE 7 – INDIVIDUAL RISK PREMIUM MODIFICATION

7.1 Individual Risk Premium Modification

The following modifications can be applied to recognize special characteristics of the risk that are not fully reflected in the rates.

The total credit or debit developed using the following table cannot exceed 25%.

RISK VARIATIONS	Range of Modifications		
	CREDIT		DEBIT
(1) Cooperation with insurer recommendations and/or industry standards with respect to risk management procedures	-10%	to	+10%
(2) Employees: selection, training, supervision, experience	- 5%	to	+ 5%
(3) Professional liability claims experience	-10%	to	+10%
(4) Professional accreditation/sanction	- 15%	to	+15%
(5) Professional services provided	-10%	to	+10%
(6) Quality control procedures	-10%	to	+10%

RULE 8 – FORMS ~~PM 500~~ PM 504, PM 505, PM 506 -- PHARMACY ~~SERVICES~~ PROFESSIONAL LIABILITY – (Claims-Made Form)

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Pharmacy ~~Services~~ Professional Liability coverage can be written on a claims-made basis.

Claims-made coverage applies only to claims that occur on or after the Retroactive Date shown in the policy declarations and before the end of the policy period. The claim for damages must be made within the policy period or the Extended Reporting Period.

8.1 Retroactive Date

The Retroactive Date selected should coincide with the original inception date of the claims-made professional liability coverage and should be retained on all subsequent renewals of the coverage.

Show the applicable Retroactive Date on the policy declarations.

8.2 Claims-Made Discount Factor

To reflect the maturity of the risk, determine the number of years that professional liability coverage will have been in effect on a claims-made basis as of the end of the policy period, and select the corresponding Claims-Made Discount factor shown in the rating information section of this manual.

8.3 Extended Reporting Period

Extended reporting periods allow for the triggering of coverage for injuries that occur after the retroactive date and before the end of the policy period, but the claim is not made until after the policy's expiration.

8.3.1 Basic Extended Reporting Period

The Basic Extended Reporting Period extends the time for reporting a claim after the policy terminates and begins with the end of the policy period and lasts for 60 days with respect to claims that have not previously been reported to us.

The Basic Extended Reporting Period is provided automatically for no additional premium.

No additional endorsement is required.

8.3.2 Supplemental Extended Reporting Period

The Supplemental Extended Reporting Period extends the time for reporting a claim after the policy terminates. The Supplemental Extended Reporting Period begins when the Basic Extended Reporting Period ends and continues in effect for either 12 months, 24 months, or for an unlimited time period.

Coverage applies only to claims for injury which occurred after the Retroactive Date, if any, and before the end of the policy period, but that are first reported during the Supplemental Extended Reporting Period.

A separate Aggregate Limit, equal to the Aggregate Limit shown on the declarations, applies to claims that are eligible for coverage under the Supplemental Extended Reporting Period.

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The additional premium for the Supplemental Extended Reported Period is shown in the rating information section of this manual and is based on the preceding annual policy premium.

Attach endorsement PM 501.

RULE 9 – MULTI-LOCATION DISCOUNT

Credit will be applied when a policy includes coverage for more than one location. This credit will be determined by the number of locations written on the policy. The Multi Location Discount, as provided in the following table, will be applied to all coverages. The Multi-Location Discount does not apply to any coverage rated at the coverage minimum premium. The Multi-Location Discount is to be applied prior to the application of the policy minimum premium.

<u>Number of Locations</u>	<u>Discount</u>
<u>1</u>	<u>0.0%</u>
<u>2</u>	<u>7.5%</u>
<u>3</u>	<u>10.0%</u>
<u>4 to 8</u>	<u>12.5%</u>
<u>9 or more</u>	<u>15.0%</u>

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~~1.2 Pharmacy Services Professional Liability Loss Cost (per \$1,000 of pharmacy receipts)~~

Occurrence / Aggregate Limit	Loss Cost
\$1,000,000 / \$2,000,000	\$ 0.76
\$1,000,000 / \$3,000,000	\$ 0.77
\$2,000,000 / \$4,000,000	\$ 0.90

1.3 Pharmacy Professional Liability Limit Factors

<u>Occurrence/Aggregate Limit</u>	<u>Factor</u>
<u>\$1,000,000/\$2,000,000</u>	<u>0.99</u>
<u>\$1,000,000/\$3,000,000</u>	<u>1.00</u>
<u>\$2,000,000/\$4,000,000</u>	<u>1.17</u>
<u>\$3,000,000/\$5,000,000</u>	<u>1.32</u>
<u>\$4,000,000/\$5,000,000</u>	<u>1.45</u>
<u>\$5,000,000/\$5,000,000</u>	<u>1.56</u>

3.1 Deductible Factors

Deductible	\$1MM/\$2MM	\$1MM/\$3MM	\$2MM/\$4MM
\$ 1,000	0.034	0.034	0.040
\$ 5,000	0.102	0.103	0.121
\$ 10,000	0.151	0.153	0.179
\$ 15,000	0.187	0.189	0.221
\$ 20,000	0.216	0.219	0.256
\$ 25,000	0.240	0.243	0.284
\$ 50,000	0.326	0.330	0.386
\$ 75,000	0.381	0.386	0.451
\$ 100,000	0.423	0.429	0.501

<u>Deductible</u>	<u>\$1MM/\$2MM</u>	<u>\$1MM/\$3MM</u>	<u>\$2MM/\$4MM</u>	<u>\$3MM/\$5MM</u>	<u>\$4MM/\$5MM</u>	<u>\$5MM/\$5MM</u>
1,000	<u>0.990</u>	<u>0.990</u>	<u>0.994</u>	<u>0.995</u>	<u>0.995</u>	<u>0.995</u>
5,000	<u>0.962</u>	<u>0.962</u>	<u>0.977</u>	<u>0.981</u>	<u>0.982</u>	<u>0.983</u>
10,000	<u>0.937</u>	<u>0.937</u>	<u>0.962</u>	<u>0.969</u>	<u>0.970</u>	<u>0.971</u>
15,000	<u>0.916</u>	<u>0.916</u>	<u>0.949</u>	<u>0.958</u>	<u>0.960</u>	<u>0.962</u>
20,000	<u>0.898</u>	<u>0.898</u>	<u>0.937</u>	<u>0.949</u>	<u>0.951</u>	<u>0.953</u>
25,000	<u>0.881</u>	<u>0.881</u>	<u>0.927</u>	<u>0.940</u>	<u>0.943</u>	<u>0.946</u>
50,000	<u>0.804</u>	<u>0.804</u>	<u>0.880</u>	<u>0.902</u>	<u>0.907</u>	<u>0.911</u>
75,000	<u>0.747</u>	<u>0.747</u>	<u>0.844</u>	<u>0.874</u>	<u>0.880</u>	<u>0.885</u>
100,000	<u>0.704</u>	<u>0.704</u>	<u>0.818</u>	<u>0.853</u>	<u>0.860</u>	<u>0.865</u>
<u>150,000</u>	<u>0.641</u>	<u>0.641</u>	<u>0.779</u>	<u>0.821</u>	<u>0.830</u>	<u>0.836</u>
<u>200,000</u>	<u>0.590</u>	<u>0.590</u>	<u>0.748</u>	<u>0.796</u>	<u>0.806</u>	<u>0.814</u>
<u>250,000</u>	<u>0.546</u>	<u>0.546</u>	<u>0.721</u>	<u>0.774</u>	<u>0.785</u>	<u>0.793</u>
<u>300,000</u>	<u>0.503</u>	<u>0.503</u>	<u>0.695</u>	<u>0.752</u>	<u>0.764</u>	<u>0.774</u>
<u>350,000</u>	<u>0.462</u>	<u>0.462</u>	<u>0.670</u>	<u>0.732</u>	<u>0.745</u>	<u>0.755</u>

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<u>400,000</u>	<u>0.425</u>	<u>0.425</u>	<u>0.647</u>	<u>0.713</u>	<u>0.728</u>	<u>0.738</u>
<u>450,000</u>	<u>0.388</u>	<u>0.388</u>	<u>0.624</u>	<u>0.695</u>	<u>0.710</u>	<u>0.721</u>
<u>500,000</u>	<u>0.351</u>	<u>0.351</u>	<u>0.602</u>	<u>0.677</u>	<u>0.692</u>	<u>0.705</u>
<u>550,000</u>	<u>----</u>	<u>----</u>	<u>0.579</u>	<u>0.658</u>	<u>0.675</u>	<u>0.688</u>
<u>600,000</u>	<u>----</u>	<u>----</u>	<u>0.557</u>	<u>0.640</u>	<u>0.658</u>	<u>0.671</u>
<u>650,000</u>	<u>----</u>	<u>----</u>	<u>0.536</u>	<u>0.623</u>	<u>0.641</u>	<u>0.656</u>
<u>700,000</u>	<u>----</u>	<u>----</u>	<u>0.514</u>	<u>0.605</u>	<u>0.625</u>	<u>0.640</u>
<u>750,000</u>	<u>----</u>	<u>----</u>	<u>0.493</u>	<u>0.588</u>	<u>0.608</u>	<u>0.624</u>
<u>800,000</u>	<u>----</u>	<u>----</u>	<u>0.471</u>	<u>0.571</u>	<u>0.592</u>	<u>0.608</u>
<u>850,000</u>	<u>----</u>	<u>----</u>	<u>0.450</u>	<u>0.553</u>	<u>0.575</u>	<u>0.592</u>
<u>900,000</u>	<u>----</u>	<u>----</u>	<u>0.429</u>	<u>0.536</u>	<u>0.559</u>	<u>0.576</u>
<u>950,000</u>	<u>----</u>	<u>----</u>	<u>0.407</u>	<u>0.519</u>	<u>0.542</u>	<u>0.561</u>
<u>1,000,000</u>	<u>----</u>	<u>----</u>	<u>0.386</u>	<u>0.501</u>	<u>0.526</u>	<u>0.545</u>

4.1 Additional Insured Factor (per each Additional Insured) 0.10

5.1 Minimum ~~Location Charge~~ Policy Premium (per each \$1MM Occurrence Limit) \$ 750.00

~~5.1 Pharmacy Risk Modification Factors~~

Table A

Prescription Category	Factor
Non-Compounded	0.95
Non-Sterile Compounded	1.00
All other compounded	1.25

Table B

Risk Management Equipment Count	Factor
1	0.95
2	0.90
3+	0.85

6.1 Health Care Services Liability

Occurrence / Aggregate Limit	1 st Professional	Each Additional
\$ 1,000,000 / \$2,000,000	\$ 1,200	\$ 250
\$ 1,000,000 / \$3,000,000	\$ 1,300	\$ 275
\$ 2,000,000 / \$4,000,000	\$ 1,600	\$ 350

8.2 Claims-Made Discount Factor

<u>Year</u>	<u>Factor</u>
1 Year	.84
2 Years	.92
3 Years	.97
4 Years	.99
5 Years +	1.00

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8.3 Extended Reporting Period Options

12 Months	100% of preceding annual policy premium
24 Months	150% of preceding annual policy premium
Unlimited	200% of preceding annual policy premium

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PROGRAM RULES

~~LOSS COST MULTIPLIER~~

~~A loss cost multiplier of 1.189 will be applied to all "Loss Costs" as established in the Pharmacists Mutual Insurance Company Pharmacy Services Professional Liability Program Manual.~~

Rule 2.4 has been added:

2.4 - Premium Installment Plans

Payment Option	Due Date	Service charge
Payment in Full	Policy eff date	No service charge
Tri-Annual	Policy eff date, 60 & 120 days	No service charge
Semi-Annual	Policy eff date & 180 days	\$5.00 on final installment
Quarterly	Policy eff date, 90, 180 & 270 days	\$5.00 on last 3 installments
EFT - monthly	Down payment of 1 month premium	\$1.00 per monthly withdrawal

Rates 1.2 PHARMACY PROFESSIONAL LIABILITY RATES

<u>TYPE OF COMPOUNDING</u>	<u>RATE</u>
<u>Non-Compounded</u>	<u>0.96</u>
<u>Non-Sterile Simple Compounded</u>	<u>1.00</u>
<u>Non-Sterile Complex Compounded</u>	<u>2.00</u>
<u>Sterile No Intrathecal or Epidural</u>	<u>2.96</u>
<u>Sterile With Intrathecal or Epidural</u>	<u>5.92</u>

Rates 8.2 Claims-Made Discount Factor has been withdrawn from the Countrywide Rates and replaced by the following:

8.2 Claims-Made Discount Factor

<u>Year</u>	<u>Factor</u>
1 Year	.74
2 Years	.90
3 Years	.95
4 Years	.98
5 Years +	1.00

State:	Illinois	Filing Company:	Pharmacists Mutual Insurance Company
TOI/Sub-TOI:	11.0 Medical Malpractice - Claims Made/Occurrence/11.0021 Pharmacy		
Product Name:	Pharmacy Professional Liability		
Project Name/Number:	CW PSPL Cpdg Rev/IL-PSPL-11-13-RR		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/14/2013		Supporting Document	Form RF3 - (Summary Sheet)	08/27/2013	RF-3.pdf (Superceded)

Section 754.EXHIBIT A Summary Sheet (Form RF-3)

FORM (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision
effective 10/1/13 for New Business & 11/1/13 for Renewal Business.

	(1) Coverage	(2) Annual Premium Volume (Illinois) *	(3) Percent Change (+or-) **
1.	Automobile Liability Private Passenger		
	Commercial		
2.	Automobile Physical Damag Private Passenger		
	Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other <u>Pharmacy Professional Liability</u>	\$ 43,933	12.1%
	Line of Insurance		

Does filing only apply to certain territory (territories) or certain
Classes? If so,
specify: Not applicable

Brief description of filing. (If filing follows rates of an advisory
Organization, specify
organization): Revised rates for our Independent Pharmacy Professional Liability Program

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new
rates.

Pharmacists Mutual Insurance Company

Name of Company

Thomas E Claude, Vice President Underwriting/Product Development

Official – Title